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**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 99-0564 and 99-0565**

**Sales Tax-Responsible Officer**

**August 31, 1996, September 30, 1996, October 31, 1996, November 30, 1996, December 31, 1996, and January 31, 1997**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)**

**I. Tax Administration – Responsible Officer**

**Authority:** IC 6-8.1-10-9(c)

Taxpayer protests the sales tax assessment.

**STATEMENT OF FACTS**

Taxpayers' representative, in a telephone call on March 28, 2000, protested the responsible officer billings and states the taxpayers' would like a settlement agreement because they no longer have money available for payment. The court ordered that the partnership be dissolved and the taxpayers would assume all liabilities of the partnership. Taxpayer no longer protests the issue but claims hardship. The estimated outstanding liability is currently over \$19,000. Of the two partners, one is inactive as of July 1, 1997. A reading of the Lake Superior Court case, dated February 24, 1997, states that a default judgment was entered into on January 16, 1997 which ordered the partnership dissolved. Further, all assets including keys, checking accounts, and books are to be turned over to the instantor and the liabilities of the partnership will be assumed by the taxpayers.

Taxpayers, in a letter dated July 28, 1999 state they were never officers of a business, have never owned a business, have never sold anything to owe sales tax and state the responsible parties are two other persons.

The four parties entered into a partnership on June 20, 1996 according to departmental records.

I. **Tax Administration** – Responsible officer

**DISCUSSION**

At issue is whether the taxpayers are the responsible officers of a four-person partnership.

Taxpayers state they were not the responsible officers and the department should collect the tax due from the two partners involved in the business. In addition, taxpayers claim hardship.

The court ordered the partnership dissolved with all assets to be turned over to the taxpayers and that they would assume all of the partnership liabilities. The taxpayers have no argument to allow the department to cancel the liabilities. Taxpayers have been advised to contact the Taxpayer Advocate for a hardship packet.

**FINDING**

Taxpayers protest is denied.